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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

PULSE~LINK INCORPORATED, Plaintiff, v. TZERO TECHNOLOGIES INCORPORATED, Defendant.	Case No.: 07 CV 2156 L (AJB) **PLAINTIFF PULSE~LINK INCORPORATED'S REPLY TO DEFENDANT TZERO TECHNOLOGIES INCORPORATED'S COUNTERCLAIMS**
TZERO TECHNOLOGIES INCORPORATED, Counterclaimant, v. PULSE~LINK INCORPORATED, Counterdefendant.	

Plaintiff PULSE~LINK Incorporated ("PULSE~LINK" or "Plaintiff") hereby replies to the Answer and Counterclaims of Defendant Tzero Technologies Incorporated ("Tzero").

COUNTERCLAIMS

1. PULSE~LINK admits that Tzero's Counterclaims purport to state a cause of action in paragraph 49 for relief under the Declaratory Judgment Act, 28 U.S.C. § 2210 *et seq.* and the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, but denies that Tzero is entitled to such relief.

THE PARTIES

2. On information and belief, PULSE~LINK admits the allegations of paragraph 50.

3. PULSE~LINK admits the allegations of paragraph 51.

JURISDICTION AND VENUE

4. PULSE~LINK admits the allegations of paragraph 52.

5. PULSE~LINK admits that it has accused Tzero of infringement of the '034 Patent and the '368 Patent as alleged in paragraph 53. PULSE~LINK admits that Tzero denies infringement and claims that the '034 Patent and the '368 Patent are invalid, but denies that Tzero's claims have merit and that Tzero is entitled to relief. PULSE~LINK admits the allegations in the final third and fourth sentences of paragraph 53.

COUNT I

DECLARATORY JUDGMENT AS TO U.S. PATENT NO 6,895,034

6. PULSE~LINK repeats an incorporates its responses in paragraphs 1 through 5 as if fully set forth herein.

7. PULSE~LINK denies the allegations of paragraph 55.

8. PULSE~LINK denies the allegations of paragraph 56.

9. PULSE~LINK denies the allegations of paragraph 57.

COUNT II

DECLARATORY JUDGMENT AS TO U.S. PATENT NO 7,099,368

10. PULSE~LINK repeats an incorporates its responses in paragraphs 1 through 9 as if fully set forth herein.

11. PULSE~LINK denies the allegations of paragraph 59.

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12. PULSE~LINK denies the allegations of paragraph 60.

13. PULSE~LINK denies the allegations of paragraph 61.

REPLY TO TZERO'S PRAYER FOR RELIEF

14. PULSE~LINK denies that Tzero is entitled to any relief whatsoever in this action, either as prayed for in its Counterclaim or otherwise.

FIRST AFFIRMATIVE DEFENSE

15. Tzero's counterclaims fail to a state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

16. Tzero is not entitled to any relief because it infringed both the '034 Patent and the '368 Patent and no legal theory excuses that infringement.

THIRD AFFIRMATIVE DEFENSE

17. PULSE~LINK reserves the right to amend its answer to assert further defenses based on future discovery in the lawsuit.

DEMAND FOR JURY TRIAL

18. In accordance with Rule 38(b) of the Federal Rules of Civil Procedure, PULSE~LINK demands a trial by jury on all issues so triable.

DATED: January 18, 2008

Respectfully submitted,

HELLER EHRMAN LLP

By /S/
JOHN BENASSI
Attorneys For Plaintiff and Counterdefendant
PULSE~LINK INCORPORATED

Heller Ehrman LLP

CERTIFICATE OF SERVICE

I, Tamara Smedley, declare:

I am a citizen of the United States and an employed in the County of San Diego, State of California. I am over the age of 18 years and an not a party to the within action. My business address is Heller Ehrman LLP, 4350 La Jolla Village Drive, Suite 700, San Diego, CA 92122. I am personally familiar with the business practice of Heller Ehrman.

On January 18, 2008, following ordinary business practice, I caused service of the following document(s):

PLAINTIFF PULSE~LINK INCORPORATED'S REPLY TO DEFENDANT TZERO TECHNOLOGIES INCORPORATED'S COUNTERCLAIMS

to be completed by:

Electronic Service in accordance with the subject Rule and/or General Orders in this matter upon:

Terrence P. McMahon
James Soong
McDERMOTT WILL & EMERY
3150 Porter Drive
Palo Alto, CA 94304
Telephone: 650.813.5000
Facsimile: 650.813.5100

I declare under penalty of perjury under the laws of the United States that the above is true and correct and that this declaration was executed at San Diego, California.

DATED: January 18, 2008

Tamara Smedley
Tamara Smedley